

PUBLIC ASSISTANCE PROGRAM INTEGRITY FRAUD PREVENTION WORKGROUP

November 13, 2003

Attendance:

Sandy Leonhard, Interstate Reporting Co.; Jodi Ross, DHFS/BIMA; Mary Mireles, Racine County; Rick Zynda, DHFS/BEM; Pam Kiern, DHFS/BHLE; Jeff Brikowski, DHFS/Food Stamp Program; Richard Basiliere, Outagamie County DHHS; Gene Kucharski, Portage County; Charles Billings, DHFS/PAFS; Barry Chase, DHFS/PAFS; Richard Eddings, Dane County; Fay Simonini, DWD/PACU; Nancy Foss, DHFS/DHCF; Virginia Wiedenfeld, Richland Co.

Phone In attendees:

Sue Rusboldt, Western Regional Office, Eau Claire; Mike Poma, Milwaukee County; Gloria Guitan, Milwaukee County; Jim Borgerson, Douglas County

The meeting was called to order by Rick Zynda.
The minutes were discussed and approved as presented.

Bureau Reorganization:

Rick discussed proposed changes in the Division of Health Care Financing. Following the transfer of the Food Stamp Program to DHFS, two Bureaus, organized by functions that cover both programs, have administered Medicaid and Food Stamps. After several months under this structure, it has been decided that it would be best to combine the two bureaus into one, and restructure some of the Sections within the "new" Bureau. The new organizational plan must be approved by the personnel system in DHFS, and by the Department of Administration, hopefully by the end of this year. In general, there would be:

- Communications Section - includes the Call Center, Handbook Writers, and Training coordination.
- Customer Services Section - includes Senior Care(CAPO) and, oversight of the MA hotline, which will be expanded soon to include Food stamps, for the public and potential clients obtain program information.
- Program Integrity Section - includes Quality Control and Program Evaluation
- Program Management Section – includes contract administration (including fraud/program integrity contracts), EBT, and fraud prevention and benefit recovery coordination
- FS Policy Section – includes FS Corrective Action
- MA Policy Section
- Systems Section

The Public Assistance Fraud Section will no longer exist. Charles Billings will be working for John Haine in the Program Integrity Section. Barry Chase will move to FS Policy Section. Rick will be overseeing the coordination of fraud functions by the various sections, and lead an internal workgroup to assure that all areas are covered. Rick states that the goal is to have fraud prevention as part of the mainstream with other programs. He is the general contact person for this transition. Local agencies can still contact Charles, Barry, or Don Petersen (until mid-January when he will be employed by UW-Oshkosh CCDET as a fraud technical/training consultant).

- The Program Integrity/Fraud Prevention Subcommittee should discuss and recommend types of training needed by local agencies.

2004 IM Contracts-Program Integrity/Fraud Prevention funds Administrators Memo

Jodi Ross and Charles Billings discussed the 2004 contracts. The Administrators Memo for allocations is being finalized. It will be posted on the Division's website when finalized. Rick or Jodi will check on how local agencies are notified when such memos are published. Local agency allocations were provided by email to Regional Offices, to share with their agencies. The Memo will have these allocations as well as MA transportation, funeral costs, etc. Fraud Plan instructions are included in the Administrators Memo, and will be due December 15th. (Update: Since the Administrators Memo has not yet been issued, the due date will likely be changed to January 15).

The memo will explain how amounts were budgeted. They looked at expenditures over the last couple of years. Allocations were computed based on averaged claimed expenses. FEV minimum allocation is \$2000.00 and fraud investigation allocation minimum is also \$2000.00

If local agencies initiate more claims for overpayments, they should see more incentive revenue coming in during 2004, particularly following "tax season" when tax intercept is most effective. The revenue source, however, is from Food Stamp and Medicaid claims. Child Care and W-2 funds are block grants, with no current incentive provisions to share benefit recovery with local agencies. All of the recovered funds are returned to the block grants.

Program Funding

The Committee discussed the fact that Program Integrity (FEV) allocations and activities are funded by program revenue (benefit recovery). FEV, however, doesn't produce program revenue, nor does FEV generate any 15 percent incentive revenue for local agencies.. This is not an incentive for local agencies to focus on prevention activities. The Committee needs to discuss alternative options for funding local and statewide Program Integrity activities and make recommendations to IMAC for revising the budget process for the 2005 that is not entirely depended on program revenue.

Child Care fraud continues to be of concern. It is anticipated that more time will be spent in Child Care client/provider fraud and error prevention, and possibly W-2, as the caseloads have increased. The result will be more program revenue returned to the state, but the local agencies don't get incentive payments for benefit recovery activities related to these two programs. Rich Basiliere, representing WAPAF, is setting up a meeting with DWD regarding childcare and W-2 fraud prevention, and has also contacted the Legislative Audit Bureau to request a meeting on fraud prevention, including funding issues.

Rich B. will gather information from other states regarding how they fund their fraud programs. Perhaps we could ask Dan Haley to come and explain Minnesota's structure and system to our committee. Rich Basiliere and Gene Kucharski will work on this.

According to federal Food Stamp regulations, the state is allowed to retain 35% of collections identified as IPV, whereas cases labeled "client error" only qualify for 20% retention. Therefore, it is advantageous for local agencies to correctly identify and code cases that are IPV (including cases that, in the course of investigation, change from "client error" to fraud).

Medical Assistance

We need to develop a list of issues that need to be addressed concerning the Medical Assistance programs. The Department is putting together statutory revisions for the next legislative budget adjustment session to fix things such as the inability to recover overpayments for failure to report changes in income and assets.

Discussion about who is responsible for overpayments relative to HMO payments, if the client does not use the medical card (receives no benefits) and was found to be ineligible. Would the HMO be responsible to return the payment? The client did not benefit from card services if the card was not used. It doesn't seem fair to the client to be responsible for the overpayment. The HMO received payments but provided no services. Is this addressed in the HMO contract with the state? By comparison, if a Child Care provider is reimbursed for an inappropriate amount, not due to a client error or fraud, the provider is responsible for repayment.

Information should be given to clients about the costs paid to the HMO that they are responsible for repaying if found ineligible. This should also be added to the HMO enrollment specialist information packet.

Also discussion about the ability to collect for HMO administrative penalty – a finder's fee from HMO or subrogation case referrals - 15 per cent would be good.

MA fraud - Chapter 49 needs to be revised - need to look at this for 2005.

Issues for Further Discussion

Rick passed out a list of issues that this committee should look at:

1. MA Overpayment Calculations - Discussion regarding need for a CARES program or other software for determining Medical Assistance overpayments. According to local agencies, current simulation in CARES is not sufficient to recreate retroactive months to determine overpayments. Ohio has software programs for Child Care and other programs. Rick will look into this idea.
2. What belongs in the IM manual vs handbooks. Where is it now and would it be better somewhere else. IM manual going through major overhaul. Where should W-2/Child Care BV/collections policies/procedures be located?
3. Annual fraud plans- review contents, how used, compliance monitoring, etc. Should the requirements be incorporated in the body of the IM contract? What about W-2 and Child Care fraud plans – included in the W-2 contract?
4. Program activity reporting – is it adequate, what is needed to track local activities, contract compliance - and develop reports to reflect cost effectiveness - what type of monitoring is needed? Should quantify what is being done.
5. IRS safeguarding - review policies/procedures/compliance monitoring. Charles Billings indicated there is limited discretion. Not a lot that can be changed if we want to stay in compliance. Further discussion needed.

6. Data Matches - which are required and optional, usefulness and timeliness of data.

7. Fraud Program Training/Technical Assistance - identify needs, priorities, types of delivery

CARES Access – further discussion needed concerning the issue/policy of whether contracted investigators can have access to CARES – what is the real meaning of “need to know” relative to access to all cases.

Next meeting will be December 11th. 9:30 A.M.

Respectfully submitted,

Virginia Wiedenfeld